

TORONTO



ELLINGTON PARTNERS
CORPORATE REAL ESTATE ADVISORS

Market Insights for Tenants: At Exis, our loyalties aren't compromised; because we do not represent landlords, we are 100% focused on providing market conditions and strategies that can benefit tenants in each marketplace – leveraging this information for your economic advantage. We're pleased to provide the below in-depth information; contact us for ways we can help you get the BEST deal on your commercial space needs.

OVERVIEW

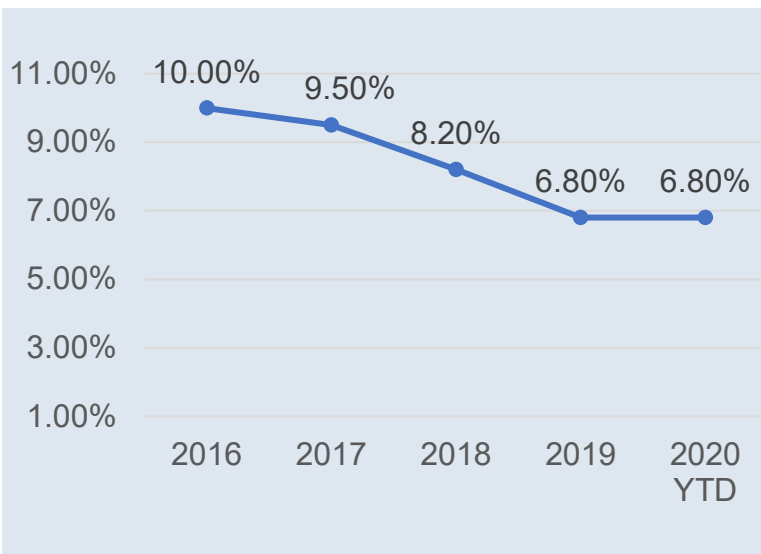
The Greater Toronto Area ("GTA") office leasing market started off the year reasonably, but then began to slow down and has virtually stopped after COVID shut down the economy in mid-March. At that time, the vacancy rate was near a record low and there was a dearth of big block options. Companies were still being drawn to the Downtown market to accommodate the transportation and housing requirements of their staff. Oh how times have changed! Now we have companies wishing to continue working from home as their staff are concerned about using public transit to get to work. Some of the co-working and tech companies that were growing last year are now subletting. There won't be any meaningful return to work this Fall until kids and teachers are back in school and daycare has returned to full occupancy.

FUNDAMENTALS

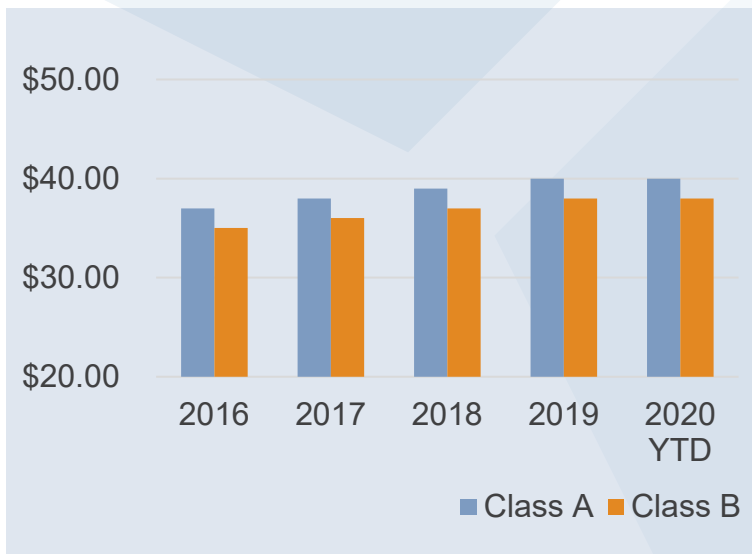
Forecast

YTD net absorption	-5111,000	▼
Under construction	10.4M sf	▼
Average asking rent (gross)	\$40.00 psf	▼
Concessions	Increasing	▲
Market Size	Largest Office Deal	Total Vacancy
189,500,000 sf	395,818 sf	6.8%

TOTAL VACANCY



AVERAGE ASKING RENTS



Detail Metrics:

All figures are in CDN\$

Measurements are based on a per square foot basis

For more information, please contact:

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WHAT THIS MEANS FOR TENANTS

- The Toronto and Greater Toronto Area (GTA) market is expected to have a vacancy rate increase of 2-3% during the balance of 2020 to 9-10%
- The amount of sublet space is expected to double in size
- There has been virtually no demand in Q2, 2020 and that is expected to remain for Q3 and Q4
- Consequently, net rental rates in Downtown Toronto are expected to decrease by 10-20%. In the suburbs, rates are not expected to change much
- We don't expect to see tenants move from downtown to the suburbs

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Scotiabank	2201 Eglinton Ave. East	Scarborough	New Tenant	406,000
Google	65 King St. East	Toronto, DT East	New Tenant	395,818
RBC	10 York Mills Road	North York	Renewal	193,000
Equitable Bank	25 Ontario Street	Toronto, DT East	New Tenant	175,217
Loblaws Companies	500 Lakeshore Blvd. W	Toronto, DT South	New Tenant	160,989
Morneau Shepell	16 York Street	Toronto, DT South	New Tenant	118,112
Health & Safety Innovation	5110 Creekbank Rd.	Mississauga	Renewal	101,610
Humber College	59 Hayden Street	Toronto, Midtown	New Tenant	95,077
PwC	200 Apple Mill Road	Vaughan	New Tenant	80,000
MaRS	125-155 Queens Quay E	Toronto, DT South	New Tenant	54,577

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